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SUBJECT: BULGARIA: COURT HEARS APPEAL OF JEWISH PROPERTY
RESTITUTION CASE

REF: 05 SOFIA 1318

1. (U) SUMMARY. A five member panel of the Supreme Cassation Court (SCC) held a hearing January 17 on the Bulgarian Jewish community's appeal regarding restitution of the disputed Rila Hotel (reftel). The Jewish community organization Shalom is appealing a July 2005 decision on grounds that it contradicts two previous decisions on the same case. The Court is expected to either reject Shalom's appeal or return the case to a lower court sometime in the next two months. Regardless of the court's decision, President Parvanov is on record as supporting compensation. END SUMMARY.

2. (U) Despite a 1992 decision in Shalom's favor, the Sofia Regional Court in 2002 rejected the Jewish community's claim to the Rila Hotel, which was built on property seized from the community by the Communist government. The Sofia Regional Court's decision was later upheld by the Sofia City Court in 2004 and confirmed and enforced by a three-member panel of the Supreme Cassation Court in 2005. Shalom initiated a special reversal procedure by noting that the Sofia Regional Court's decision contradicted two previous court decisions issued by the Supreme State Arbitration in 1992 and the Supreme Cassation Court in 2003 (which also went against Shalom, but for different reasons).

3. (U) The January 17 hearing, attended by an Embassy representative and an attorney for the JOINT Distribution Committee, was a low-key event. Shalom, represented by attorney Joseph Geroof, presented its request in writing and briefly outlined the main points to the judges. The lawyers for the defendants replied in similar fashion. The judges asked no questions. Although the hearing was open to the public, there was no press.

4. (U) Prior to the hearing, John Rupp, a lawyer assisting Shalom in the case, and Robert Djerassi, deputy director for the American Jewish JOINT Distribution Committee in Bulgaria, met with the DCM to discuss the appeal. Neither were optimistic the Court would rule in their favor. Rupp told us Shalom is considering two other options if the latest appeal is unsuccessful. One is the European Court of Human Rights. Another option would be to pursue a case in the U.S. courts with the Bulgarian government as the defendant. Rupp said this could be an irritant in the U.S.-Bulgarian bilateral relationship, but also may encourage the GOB to make progress on compensating the Jewish community for the property.

5. (SBU) COMMENT. Despite Bulgaria's excellent overall record on restitution cases, we continue to have doubts about the likelihood of the current five-judge panel deciding this case fairly based on its merits. The Bulgarian judicial system is notoriously susceptible to outside influence, and in this case the outsider is one of Bulgaria's most influential: businessman and racketeer Vasil Bozhkov (a.k.a., The Skull), the man behind the company that currently owns the Rila Hotel. Nevertheless, we are encouraged by President Parvanov's statement in Washington last November that the government should find a way to compensate Shalom if the issue cannot be resolved in an appropriate manner by the courts. Parvanov, however, would need to persuade the current government to support this idea. To date, we have seen little movement from the presidency in this direction.

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